

Carlo Garofalo
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March 13, 2023

To: The Honorable Judge Martin Glenn
One Bowling Green
New York, NY 10004-1408

Re: Case # 22-10964
Celsius Loan ID: 35456
Celsius Account Email: sflbarter@gmail.com

Dear Judge Glenn,

My name is Carlo Garofalo. I initially wrote to you in August 2022, but I would like to request for you to reconsider someone like me to have the ability to withdraw my USDC from my Celsius CUSTODY account and not to exclude me because I have a loan with Celsius. I have a very good reason for this request.

I have a mid-six figure cash amount of cryptocurrency (\$409,214.69 plus \$250,833.72 in collateral towards a \$150,000.00 loan - at today's prices) stored on two different Celsius wallets.

To break down the loan, it was for \$150,000.00 USDC that is secured by 10.88 Bitcoin (that is the \$250,833.72 that I stated as collateral - which is 167% collateral to loan). I used that loan to purchase Ethereum (ETH) which is in my Celsius EARN wallet. Therefore, Celsius has everything... but this is not the main argument that I have.

When Celsius froze accounts on June 13, 2022, they started sending me emails telling me that I needed to pay off my loan because my collateral was close to getting liquidated. I asked them if I could pay off the loan using some of my collateral (since my collateral was still about 140% above the value of the loan) and they told me NO, because those accounts were frozen. They told me that I needed to send either a \$150,000 wire to them or deposit \$150,000 of USDC into my account. All my other cryptocurrency was in an EARN account which was also frozen. Therefore, I could not use the cryptocurrency that I had in my account to cover the loan. I need to send fresh funds to them, or they would liquidate my Bitcoin collateral at its lowest point.

On June 21, 2022, I deposited \$100,000 USDC into a new CUSTODY account and on June 22, 2022, I deposited another \$50,000 USDC into the same account. Therefore, I have \$150,000 USDC in my CUSTODY account.

Once the funds were deposited, Celsius contacted me and told me that, as of that time, my account was not in immediate danger of liquidation, so there was no need to immediately

pay off the loan. Therefore, I did not, especially since I had so much collateral to loan value.

I then asked Celsius to allow me to withdraw the funds back and they responded that all withdrawals were frozen. Then I knew that I was getting "screwed". I wanted to put the USDC back on Coinbase to know that it was safe and they would not let me do that. The next thing that happened is that Celsius filed for bankruptcy.

I watched almost every Friday AMA with Alex Mashinsky. I went to multiple Bitcoin conventions in Miami and spoke directly to Alex and also met and spoke with him at the Celsius afterparty in Miami after the 2022 Bitcoin convention. I never believed that Celsius would file bankruptcy based on everything that he and his team told us. I, like many others, believed that there was just a "run on the bank" when they froze accounts because of what was happening in the crypto market at that time. I never believed that Alex and his team were lying and stealing from us.

Celsius not only played games with everyone's funds in our EARN accounts, but they actually STOLE \$150,000 USDC from me after the fact.

Your Honor, the USDC funds are in a PURE CUSTODY account. I should be able to get those funds back, especially since Celsius has a 167% collateral to loan value PLUS another \$259,000 of my cryptocurrency in my EARN account. That's 340% loan to value at today's prices and today's prices are low. Today's prices are approximately what they were when Celsius filed bankruptcy.

Your Honor, please help me retrieve my \$150,000 USDC. I will still pray for the release of my other funds, but I believe that I deserve to get 94% of these funds back based on your previous ruling that allowed people to withdraw from their CUSTODY accounts.

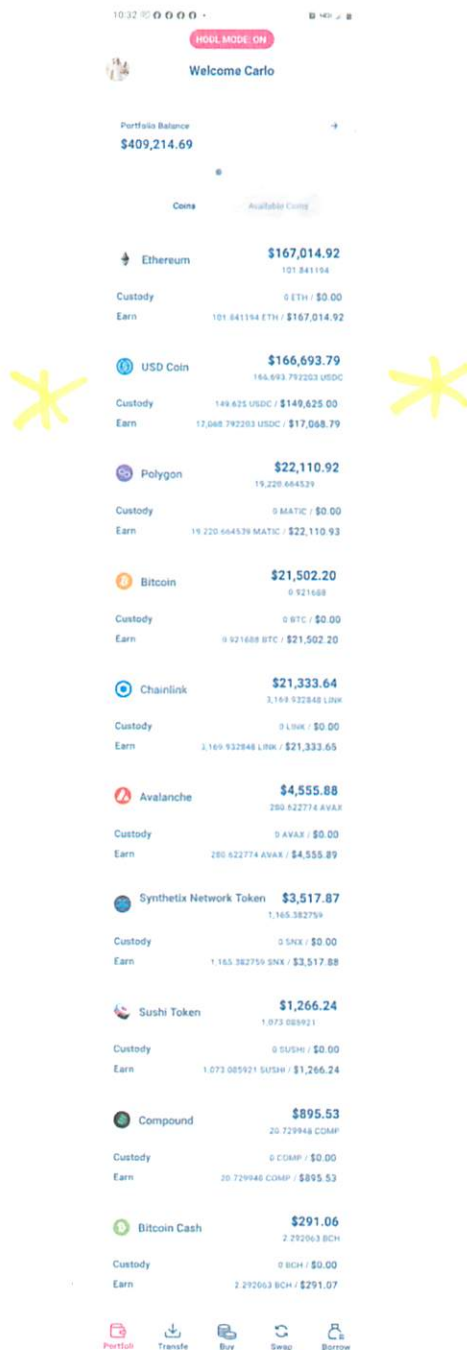
It would only be fair to return those funds to me.

Sincerely,
Carlo Garofalo

P.S. I have included photos of my Celsius account along with photos of the deposit dates.

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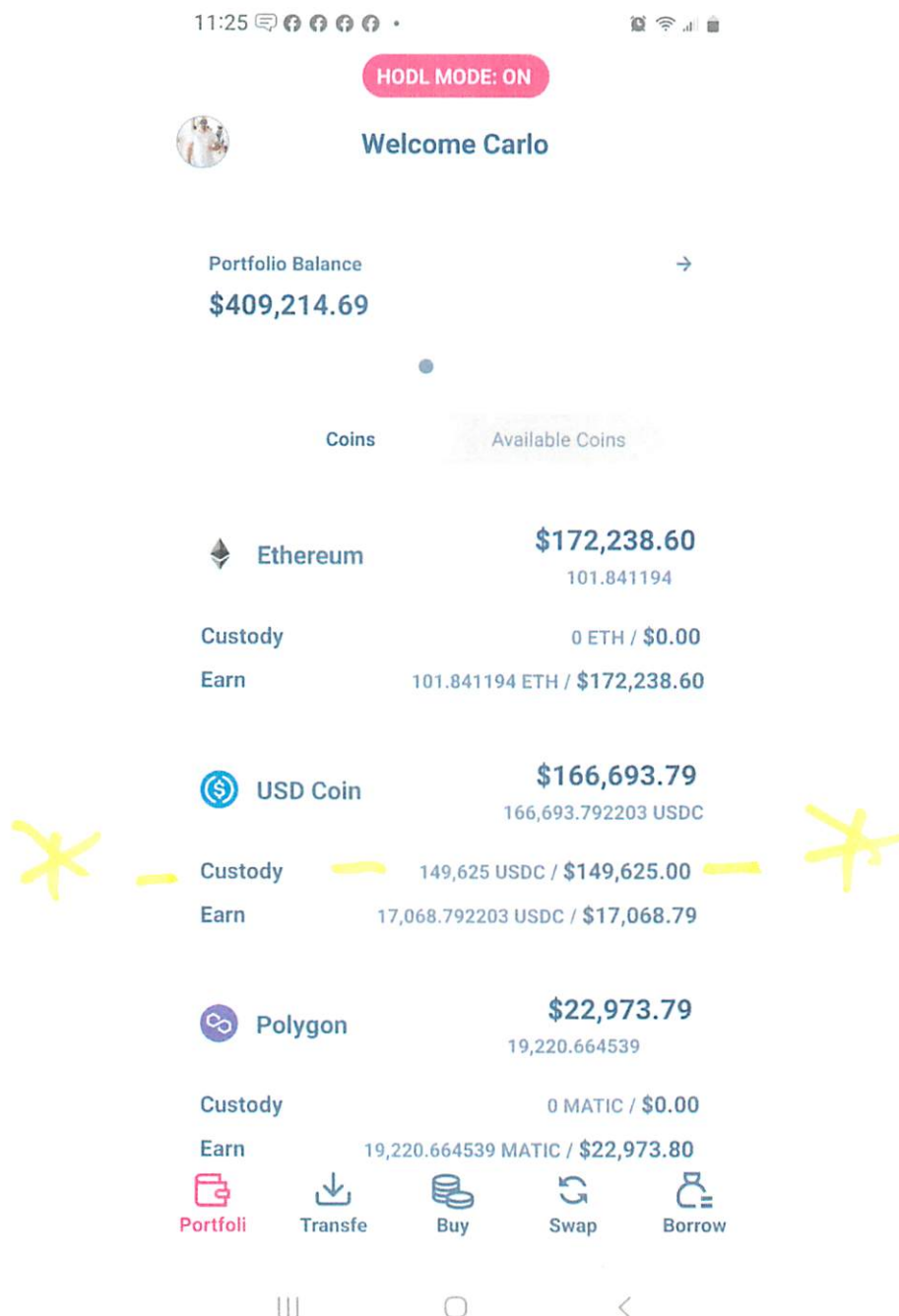
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COMPLETE CELSIUS ACCOUNT

156%

Screenshot_20230313_11253... us.jpg 1 of 1



CUSTODY ACCOUNT HIGHLIGHTED

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10:31

HODL MODE: ON

< Transaction history

Send CSV to Email

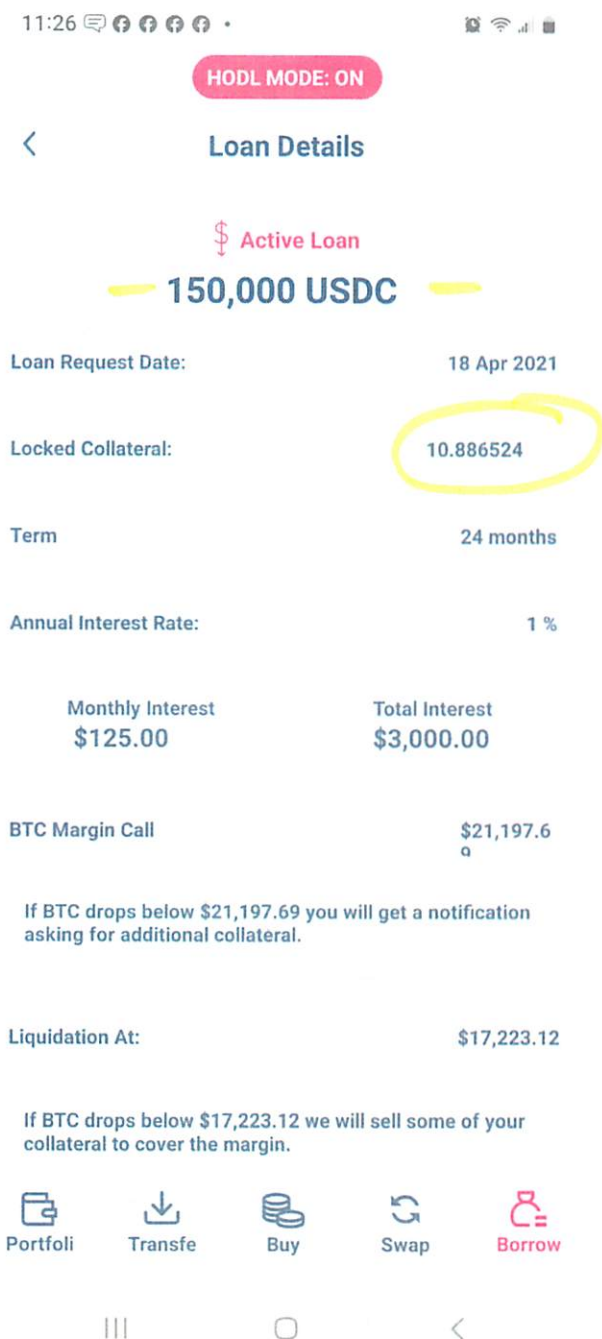
	22.46 USDC	08 Jul 2022
R	\$22.43 22.43 USDC	USDC Reward 01 Jul 2022
R	\$22.40 22.40 USDC	USDC Reward 24 Jun 2022
X	D \$50,000.00 50,000 USDC	Confirmed 22 Jun 2022
X	D \$100,000.00 100,000 USDC	Confirmed 21 Jun 2022
R	\$22.37 22.37	USDC Reward 17 Jun 2022
R	\$22.34 22.35 USDC	USDC Reward 10 Jun 2022
R	\$22.31 22.32 USDC	USDC Reward 03 Jun 2022
R	\$22.28 22.29 USDC	USDC Reward 27 May 2022

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DEPOSITS AND DATES

156%

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LOAN INFORMATION

156%